

## SENATE BILL NO. 253

INTRODUCED BY D. STEINBEISSER

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING AN EMPLOYER A TIP CREDIT TO MEET THE MINIMUM WAGE FOR TIPPED EMPLOYEES; AMENDING THE LAW TO REFLECT THE CURRENT MINIMUM WAGE; AND AMENDING SECTION 39-3-409, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 39-3-409, MCA, is amended to read:

**"39-3-409. Adoption of minimum wage rates -- exception.** (1) The minimum wage, except as provided in subsection (3), must be the greater of either:

(a) the minimum hourly wage rate as provided under the federal Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), excluding the value of tips received by the employee and the special provisions for a training wage; or

(b) ~~\$6.15~~ \$6.90 an hour, excluding the value of tips received by the employee and the special provisions for a training wage.

(2) (a) The minimum wage is subject to a cost-of-living adjustment, as provided in subsection (2)(b).

(b) No later than September 30 of each year, an adjustment of the wage amount specified in subsection (1) must be made based upon the increase, if any, from August of the preceding year to August of the year in which the calculation is made in the consumer price index, U.S. city average, all urban consumers, for all items, as published by the bureau of labor statistics of the United States department of labor.

(c) The wage amount established under this subsection (2):

(i) must be rounded to the nearest 5 cents; and

(ii) becomes effective as the new minimum wage, replacing the dollar figure specified in subsection (1), on January 1 of the following year.

(3) The minimum wage rate is:

(a) for a business whose annual gross sales are \$110,000 or less, is \$4 an hour;

(b) for a tipped employee who customarily and regularly receives tips, \$6.90 an hour. If the minimum wage increases above \$6.90 an hour, the employer may count tips as wages for the tipped employee to make

1 up the difference between \$6.90 and the new minimum wage. If an employer elects to use the tip credit provision  
2 under this subsection (3)(b), the employer shall:  
3 (i) inform each tipped employee before the credit is used about the tip credit provision, including the  
4 amount to be credited, and guarantee that the employee receives at least the minimum wage when direct wages  
5 and the tip credit allowance are combined; and  
6 (ii) maintain records that demonstrate that the employee receives at least the minimum wage when direct  
7 wages and the tip credit allowance are combined."

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